

FISCAL UPDATE

April 8, 2008

Legislative Services Agency

(515)-281-5279 FAX 281-8027

<http://staffweb.legis.state.ia.us/lfb>

STATUS OF APPROPRIATIONS BILLS AS OF APRIL 4, 2008

Appropriations Subcommittee Bills		
Subcommittee	LSB/File#	Status
Administration & Regulation	SF 2400	Passed House Approps - 3/26
Agriculture & Natural Resources	HF 2662	Passed House Approps - 3/20
Education	HSB 787	Passed Subcommittee - 3/27
Health and Human Services	LSB 5002	Passed Subcommittee - 4/3
Judicial Branch	HF 2647	Passed House Approps - 3/11
Justice System	HF 2660	Passed House Approps - 3/18
Transportation	SF 2394	Passed House Approps - 3/26
Other Appropriations Bills		
Federal Block Grant	SF 2286	Passed House Approps - 3/26
Optical Scan Voting System	SF 2347	Enrolled - To Governor
Judicial Branch Fees	SF 2331	Passed Sen Judiciary - 3/5
Charities Oversight Fund	SF 2194	Passed Sen State Govt - 2/18
Long-Term Care Insurance	SF 2306	Passed Senate - 3/21
Health Care Reform	HF 2539	Passed Senate Approps - 3/19
Delinquent Debt Collection	SSB 3279	In Senate Approps

The following table shows the FY 2009 appropriations by bill and identifies General Fund and non-General Fund appropriations associated with each bill. The Optical Scan Voting System Bill (SF 2347) provides an FY 2008 supplemental appropriation of \$4.9 million from the Rebuild Iowa Infrastructure Fund and is not listed on the table.

FY 2009 General Fund Appropriations						
Status as of April 4, 2008						
Appropriation Bills	House Subcommittee	House Appropriations	House Floor	Senate Subcommittee	Senate Appropriations	Senate Floor
Admin. and Regulation - SF 2400	\$ 95,604,847	\$ 95,604,847	\$ 0	\$ 95,604,847	\$ 95,604,847	\$ 95,604,847
Ag. and Natural Resources - HF 2662	43,403,037	43,403,037	0	43,403,037	0	0
Education - LSB 5005	975,984,549	0	0	975,984,549	0	0
Previously Enacted Education Approp.	266,977,009	0	0	266,977,009	0	0
Health and Human Services - LSB 5002	1,207,615,634	0	0	1,207,615,634	0	0
Justice System - HF 2660	521,543,345	521,543,345	0	521,543,345	0	0
Judicial Branch - HF 2647	148,196,285	148,196,285	0	148,196,285	0	0
Long-Term Care Insurance - SF 2306	60,000	0	0	0	60,000	60,000
Health Care Reform - HF 2539	0	0	0	0	6,296,000	0
Health Care Workforce - SF 2370	0	0	0	1,330,000	0	0
Iowa Public Information Board - SF 2411	0	0	0	0	6,000	0
Total	\$ 3,259,384,706	\$ 808,747,514	\$ 0	\$ 3,260,654,706	\$ 101,966,847	\$ 95,664,847
FY 2009 Non-General Fund Appropriations						
Status as of April 4, 2008						
Appropriation Bills	House Subcommittee	House Appropriations	House Floor	Senate Subcommittee	Senate Appropriations	Senate Floor
Admin. and Regulation - SF 2400	\$ 20,454,903	\$ 20,454,903	\$ 0	\$ 20,454,903	\$ 20,454,903	\$ 20,454,903
Ag. and Natural Resources - HF 2662	82,738,081	82,738,081	0	82,738,081	0	0
Health and Human Services - LSB 5002	474,679,289	0	0	474,679,289	0	0
Judicial Branch - HF 2647	4,174,663	4,174,663	0	4,174,663	0	0
Transportation - SF 2394	328,141,605	328,141,605	0	328,141,605	328,141,605	328,141,605
Federal Block Grant Bill - SF 2286	4,556,677,795	4,556,677,795	0	4,556,677,795	4,556,677,795	4,556,677,795
Charities Oversight Fund - SF 2194	0	0	0	150,000	0	0
Total	\$ 5,466,866,336	\$ 4,992,187,047	\$ 0	\$ 5,467,016,336	\$ 4,905,274,303	\$ 4,905,274,303

The major budget bills that have yet to be voted out of a subcommittee include: the Economic Development Appropriations Bill, the Infrastructure Appropriations Bill, and the Standing Appropriations Bill.

APRIL REVENUE ESTIMATING CONFERENCE

The Revenue Estimating Conference (REC) met on April 4, 2008, and increased the FY 2008 estimated net General Fund Receipts by \$78.8 million and the FY 2009 estimated net General Fund receipts by \$49.1million.

Tax law changes made during the 2008 Legislative Session (through April 4) accounted for a relatively small amount of the changes made to the new estimates. The FY 2008 estimate reflects a decrease of \$600,000 to reflect the enactment of SF 2123 (IRC Update Act). The FY 2009 estimate includes an increase of \$1.4 million to reflect the enactment of SF 2123 and HF 2233 (Web Portal Business Tax Exemptions). The overall net increase without the law changes is \$79.4 million for FY 2008 and \$47.7 million for FY 2009 compared to the December 2007 estimates.

The REC estimates for FY 2008 net General Fund revenues are \$6.062 billion, an increase of \$415.9 million compared to actual FY 2007. This represents an estimated growth rate of 7.4%. Net General Fund cash revenue (excluding transfers) has increased \$481.9 million through April 3, 2008. Major FY 2008 changes from the December 2007 estimate include:

- An increase of \$50.8 million for income tax receipts. This increase is in addition to the \$30.8 million increase added in the December 2007 estimate. Through April 3, 2008, gross income tax receipts were \$214.9 million above the last year's receipts on the same date.
- An increase of \$36.2 million for sales and use tax compared to the December 2007 estimate. Growth in FY 2008 gross sales/use tax revenues was at 5.3% through the end of March 2008.
- An increase of \$21.1 in gross corporate income tax compared to the December 2007 estimate. Through April 3, 2008, FY 2008 gross corporate tax receipts were \$48.4 million higher than a year ago.
- An increase of \$36.2 million in total refunds compared to the December 2007 estimate (reduction in Net General Fund receipts).

FY 2008 Revenue Estimating Conference Projection				
Dollars in Millions				
	Actual	December	April	Increase
	FY 2007	FY 2008	FY 2008	(Decrease)
		Estimate	Estimate	to Estimate
Income Tax	\$3,085.9	\$3,293.0	\$3,343.8	\$50.8
Sales/Use Tax	1,910.1	1,963.4	\$1,999.6	36.2
Corporate Tax	424.6	447.0	\$468.1	21.1
Insurance Tax	105.2	118.1	\$115.1	-3.0
Cigarette Tax	122.0	233.2	228.0	-5.2
Other Taxes	136.7	148.5	147.4	-1.1
Total Taxes	5,784.5	6,203.2	6,302.0	98.8
Other Receipts	353.7	359.6	376.4	16.8
Total Taxes & Other Receipts	6,138.2	6,562.8	6,678.4	115.6
Transfers	68.6	70.2	69.6	-0.6
Accruals (Net)	37.4	-16.8	-16.8	0.0
Refunds	-597.9	-632.8	-669.0	-36.2
Net General Fund Receipts	\$5,646.3	\$5,983.4	\$6,062.2	\$78.8

The REC estimate for FY 2009 General Fund net receipts is now \$6.189 billion, an increase of \$126.9 million compared to the new FY 2008 REC estimate. This represents a growth rate of 2.1% after refunds and accruals. The revised estimate is \$49.1 million higher than the December REC estimate.

Other than the tax law changes, major FY 2009 changes from the December 2007 estimate include:

- An increase of \$51.4 million in the income tax.
- An increase of \$53.3 million in the gross sales and use tax revenue.
- An increase of \$50.6 million in total refunds. The increase in refunds decreases Net General Fund receipts.

FY 2009 Revenue Estimating Conference Projection				
Dollars in Millions				
	Estimate FY 2008	December FY 2009 Estimate	April FY 2009 Estimate	Increase (Decrease) to Estimate
Income Tax	\$3,343.8	\$3,450.5	\$3,501.9	\$51.4
Sales/Use Tax	1,999.6	2,001.4	2,054.7	53.3
Corporate Tax	468.1	416.5	424.2	7.7
Insurance Tax	115.1	121.8	127.1	5.3
Cigarette Tax	228.0	233.9	225.8	-8.1
Other Taxes	147.4	156.3	149.8	-6.5
Total Taxes	6,302.0	6,380.4	6,483.5	103.1
Other Receipts	376.4	361.7	368.6	6.9
Total Taxes & Other Receipts	6,678.4	6,742.1	6,852.1	110.0
Transfers	69.6	60.5	59.8	-0.7
Accruals (Net)	-16.8	10.8	1.2	-9.6
Refunds	-669.0	-673.4	-724.0	-50.6
Net General Fund Receipts	<u>\$6,062.2</u>	<u>\$6,140.0</u>	<u>\$6,189.1</u>	<u>\$49.1</u>

The following table provides a summary of the past two fiscal years and the two present REC estimates.

Revenue Estimating Conference Projection				
Dollars in Millions				
	Actual FY 2006	Actual FY 2007	Estimated FY 2008	Estimated FY 2009
Income Tax	\$2,854.2	\$3,085.9	\$3,343.8	\$3,501.9
Sales/Use Tax	1,881.1	1,910.1	1,999.6	2,054.7
Corporate Tax	348.6	424.6	468.1	424.2
Insurance Tax	121.4	105.2	115.1	127.1
Cigarette Tax	89.5	122.0	228.0	225.8
Other Taxes	132.6	136.7	147.4	149.8
Total Taxes	\$5,427.4	\$5,784.5	\$6,302.0	\$6,483.5
Other Receipts	343.3	353.7	376.4	368.6
Total Taxes & Other Receipts	5,770.7	6,138.2	6,678.4	6,852.1
Transfers	144.0	68.6	69.6	59.8
Accruals (Net)	54.0	37.4	-16.8	1.2
Refunds	-586.2	-597.9	-669.0	-724.0
Net General Fund Receipts	<u>\$5,382.5</u>	<u>\$5,646.3</u>	<u>\$6,062.2</u>	<u>\$6,189.1</u>
Year-over-year Incr./Decr.	<u>\$110.7</u>	<u>\$263.8</u>	<u>\$415.9</u>	<u>\$126.9</u>

A more detailed spreadsheet of the April 2008 REC estimates are available at the Legislative Services Agency (LSA) web site at: <http://www.legis.state.ia.us/Fiscal/qre/>

STAFF CONTACT: Jeff Robinson (1-4614) Shawn Snyder (1-7794)

RECENT PUBLICATIONS

The Fiscal Services Division has recently published the following documents:

Fiscal Notes:

- [HF 2666](#) – Property Tax Adjustment – Shawn Snyder (1-7799)
- [SF 2298](#) – Fire Fighter/EMS Tax Credit – Jeff Robinson (1-4614)
- [SF 2159](#) – Quality Preschool Programs – Shawn Snyder (1-7799)
- [SF 385](#) – Unarmed Combat Fighting – Ron Robinson (1-6256)
- [HF 2665](#) – Bingo Sales and Use Taxes – Shawn Snyder (1-7799)
- [SF 2352](#) – Veterans Definition – Jeff Robinson (1-4614)
- [HF 2663](#) – Statewide Local Option School Infrastructure Sales – Shawn Snyder (1-7799)
- [SF 2353](#) – Judicial Officers – Jennifer Acton (1-7846)
- [SF 2329](#) – Categorical Programs in School Funding Formula – Shawn Snyder (1-7799)
- [HF 2367](#) – Absentee Ballot Reporting – Dave Reynolds (1-6934)
- [SF 2264](#) – Biodiesel and Renewable Fuels Marketing – Jeff Robinson (1-4614)
- [HF 2565](#) – Biodiesel and Renewable Fuels Marketing – Jeff Robinson (1-4614)
- [HF 2656](#) – Energy Independence – Deb Kozel (1-6767)
- [HF 2654](#) – Water Resource Management Program – Deb Kozel (1-6767)

NOBAs:

- [HSB 787](#) – Education Appropriations Bill – Robin Madison (1-5270) and Dwayne Ferguson (1-6561)
- [SSB 3279](#) – Delinquent Debt Collection – Jen Acton (1-7846)
- [SF 2400](#) – Administration and Regulation Appropriations – Dave Reynolds (1-6934) and Deborah Helsen (1-6764)
- [SF 2306](#) – Long-term Care Insurance – Deborah Helsen (1-6764)
- [HF 2662](#) – Agriculture and Natural Resources Appropriations – Deb Kozel (1-6767)
- [SF 2286](#) – Block Grant Appropriations – Deborah Helsen (1-6764) and Sue Lerdal (1-7794)
- [SF 2394](#) – Transportation Appropriations – Mary Beth Mellick (1-8223)

STAFF CONTACT: Mary Shipman (Ext. 14617)

This document can be found on the LSA web site:
<http://www.legis.state.ia.us/Fiscal/fiscupdt/>